



NEW YORK STATE SENATOR

David J. Valesky

Senator Valesky Says "No" to Beverage Tax; Will Fight to Save Jobs

DAVID J. VALESKY February 5, 2010

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SYRACUSE, N.Y. -- State Sen. David J. Valesky (D-Oneida) today led a rally of beverage industry workers against Governor Paterson's proposed 50 percent tax on soda and other drinks.

"This tax will eliminate jobs and increase costs for families on tight budgets," Sen. Valesky said. "It is simply not the right approach for addressing our state's budget problems."

Valesky's comments came during a rally at the Coca Cola Bottling Co. Sales Center in Syracuse on Friday. Valesky told workers at the facility that he would do everything he could to save their jobs.

Employment levels at beverage industry facilities across the state could be curtailed as a result of the Governor's proposed tax. If the Governor's proposed tax goes through, soda would be taxed at ten times the rate of beer.

Michael Thornhill, Manager of the Coca-Cola Bottling Co. Sales Center, said: "We're thrilled that Senator Valesky understands the consequences of this extraordinary tax hike and has agreed to help lead the fight against it."

James T. Rogers, President of the Food Industry Alliance of New York, said: "This is a regressive tax that will hurt families during very difficult economic times. Our industry works hard to keep prices down for our customers, but this tax will drive up costs to consumers."

Rene Patterson, Legislative Chair of the New York Association of Convenience Stores and General Manager of Quickway Food Stores, said: "A 50 percent tax on beverages will place our member stores at a tremendous disadvantage with stores in non-taxing jurisdictions. We will lose sales and jobs as a result. And that is simply not right or fair."

Steve Richmond of the International Brotherhood of Teamsters said: "Lawmakers need to know that this tax will have a harmful effect on working people both in terms of eliminating jobs and raising prices. We're pleased that Sen. Valesky gets it, and is working on our behalf."

Nelson Eusebio, Chairman of New Yorkers Against Unfair Taxes, said: "New Yorkers struggling to make ends meet in this economy shouldn't bear the burden of fixing the Governor's budget problems. Thankfully, Sen. Valesky and his colleagues understand this

and are working on our behalf.”

Governor Paterson proposed the beverage tax in his state budget address last month. Unlike the 18 percent retail surcharge on soft drinks that was proposed last January and later withdrawn, this year’s tax is an excise tax on a wide variety of beverages, including soda, iced tea, fruit drinks, sports drinks, and any other non-dairy beverage except diet or very low or no calorie drinks. Industry officials say the hidden tax on these beverages will result in across the board price hikes of 50 percent or more for consumers.

A study last year by Dunham and Associates projected job losses of 6,100 based on imposition of an 18 percent tax. The new tax, an additional tax of 50 percent on top of some of the highest taxes in the country, is expected to result in significantly greater job losses.